

Message Text

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51

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 EA-11 ISO-00 DOTE-00 COME-00 L-03

CIAE-00 INR-10 NSAE-00 RSC-01 TRSE-00 NEA-10 XMB-07

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R 021738Z JAN 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 5783

INFO USINT ALGIERS

AMEMBASSY LONDON

AMEMBASSY TOKYO

LIMITED OFFICIAL USE PARIS 0061

E.O. 11652: N/A

TAGS: ETRN, FR, AG

SUBJECT: ALGERIANS NEGOTIATING WITH FRENCH SHIPYARDS FOR CONSTRUCTION OF 3-4 LIQUIFIED NATURAL GAS CARRIERS.

PASS MARAD OFFICES OF INTERNATIONAL ACTIVITIES AND SHIP CONSTRUCTION

CONTACTS IN FRENCH SHIPBUILDING INDUSTRY CONFIDENTIALLY INFORMED EMBASSY OF ALGERIAN NATIONAL SHIPPING COMPANY (CNAN) NEGOTIATIONS UNDERWAY WITH TWO FRENCH SHIPYARDS ON CONSTRUCTION OF THREE TO FOUR LIQUIFIED NATURAL GAS CARRIERS IN THE 125,000 CUBIC METER RANGE FOR DELIVERY IN 1977. YOU WILL RECALL CNAM WAS RECENTLY LOANED \$200 MILLION BY A WORLDWIDE CONSORTIUM OF BANKS FOR LNG CONSTRUCTION.

PRESENT NEGOTIATIONS ARE SAID TO INVOLVE:

(1) HULL NO. 302 ON ORDER AT CHANTIERS NAVALS DE LE CIOTAT. THIS SHIP WAS ACTUALLY ORDERED 2-3 YEARS AGO BY GAZ OCEAN, WHO WILL SELL SAME TO THE ALGERIANS. LA CIOTAT MAY ALSO POSSIBLY RECEIVE A DUPLICATE ORDER FROM THE ALGERIANS WHO CLAIM THEY ARE SECURING KUWAITI FINANCING FOR THIS SECOND VESSEL.

(2) TWO VESSELS TO BE ORDERED FROM CONSTRUCTIONS NAVALES ET LIMITED OFFICIAL USE

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ET INDUSTRIELLES DE LA MEDITERRANEE (CNIM-LA SEYNE).

IT IS COMMON KNOWLEDGE THAT CNAM HAVE BEEN NEGOTIATING WITH SHIPYARDS WORLDWIDE OVER THE PAST SEVERAL MONTHS, CLAIMING THEY WOULD REQUIRE UP TO 11 LNG SHIPS AND REPORTEDLY DEMANDING UNREALISTIC TERMS. PRESENT NEGOTIATIONS WITH THE FRENCH YARDS INDICATE ALGERIANS ARE LOWERING THEIR SIGHTS REGARDING THE NUMBER OF VESSELS TO BE ORDERED AND ARE SOFTENING THEIR CREDIT DEMANDS.

SINCE NEGOTIATIONS ARE PRESENTLY UNDERWAY MORE SPECIFIC DETAIL IS NOT AVAILABLE. WE SHOULD BE ABLE TO PROVIDE SPECIFIC PRICE AND CREDIT TERM INFORMATION IF AND WHEN FIRM CONTRACTS ARE SIGNED.STONE

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Disposition Approved on Date:
Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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